

The Shifting Role of the CHRO in Tech Services



The most effective CHROs in the tech services sector today do far more than merely lead the HR function: They are key internal leadership advisers. In particular, the best HR leaders are helping steward a consistent corporate culture by bridging geographies and roles, while also serving as critical business enablers for their companies, which are constantly redefining and reinventing themselves in a rapidly evolving sector.

In this article, we look at some keys to success for the CHRO position in the tech services sector. The piece is based on our experience as advisers to the leaders at top tech services companies, and on insights we gathered from conversations with some of the leading CHROs in the sector.

“No longer the HR managers of old”

There is a fast evolution across the HR landscape in tech services, with CHROs increasingly serving as true business leaders rather than just overseers of the HR function. As a few interviewees told us, if you’re doing it right, HR is its own business unit that provides strategic consulting and operational services related to talent and leadership, tying that work to growing the business. “We have to treat our own organizations as ‘client zero,’” one CHRO said.

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Along these lines, several interviewees told us that in this industry, it's critical for HR to understand business and client dynamics, revenue generation, and delivery excellence. It's about being close to the sales funnel, knowing and trusting sales colleagues about what the newest and hottest thing is, keeping track of the competitive environment, and also understanding what client executives are seeing and hearing.

Considering all this, CEOs increasingly seek to hire HR leads who understand the business first and foremost — which means opening the aperture to include leaders who don't necessarily have an HR background.

Embracing emerging technology — in the HR function and beyond

Our interviewees told us that keeping pace with technological change is a top-level priority for boards and leading executives. HR leaders can play a vital role in driving this transformation by building tech-first HR functions that embrace cutting-edge tools, including AI.

With the need for speed and rapid change as constants, AI presents a range of opportunities for the HR function, including talent acquisition, the identification of key employee success traits, the creation of forward-looking L&D programs, employee engagement, and beyond. The key to successfully leveraging these tools lies in balancing technological adoption with a human-centric approach. Too often, we've seen organizations overlook the importance of the human element — particularly the need to foster live, meaningful connections within hybrid business models that are so common in tech services.

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Culture as a tool for acquisition and retention

Retaining and continuing to develop their highest-potential people remains a critical goal for all tech services companies, but this requires continuous investment and, increasingly, a focus on culture for both differentiation and retention.

Everything a CHRO does today is centered around identifying, retaining and attracting the best people, identifying strong replacements if needed, and creating and maintaining systems that enable these goals. It starts with talent acquisition and continues through retention efforts, where the CHRO can make an outsized impact by setting and maintaining a unique corporate culture. Some of the questions CHROs are asking themselves and their teams include: Is there a consistent, centrally managed application and interview process across all geographies? Is there a clearly outlined promotion process, with a clear understanding of how responsibilities and authority change in a new role? Is there knowledge sharing in place so that employees can learn from one another and build a global culture?

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In tech services, where an entrepreneurial culture can yield huge benefits, the CHRO needs to be nimble and agile and use new approaches on a constant basis. It is a truism that a company's employer brand is a critical differentiator in a sector where many other companies can offer strong training, good facilities, and competitive salaries and benefits.

The best CHROs are constantly looking for new ways to engage with their employees to strengthen this differentiator. For example, one CHRO explained that her company uses colleague "academies," common at the major accounting firms, where employees meet one another, share experiences and

learnings, and, ultimately, help create a common culture that transcends functional or geographical boundaries. Agile CHROs also use a variety of tools such as social media and public endorsements, working closely with the marketing team to refine and enhance the company's brand with potential new employees in mind.

Succession planning and business continuity

The tech services world is reaching a stage of maturity where it's not just about driving growth through finding either internal or external leaders for new roles. With maturity comes a fundamental shift, to now ensuring that there is robust succession planning at all levels of leadership. It is here that HR leaders are increasingly playing a crucial, nuanced role.



Increasingly, succession planning is becoming a proactive, ongoing conversation with the CEO and the board. This includes early identification of the star performers and high-potential players, as well as proactively informing the board about critical talent gaps and the need for new investment.

It also requires dexterity in shaping new roles and portfolios for high-potential up-and-comers to ensure they have accelerated paths to senior leadership responsibilities.

While internal leadership development is an important enabler of succession planning, there are some situations where companies don't have time for robust internal development — for example, in PE-backed companies with limited runways to exit. In those situations, CHROs are working to build a well-informed view of external leaders with proven track records. In other words, the CHRO's role in succession planning is now evolving from just identifying and developing internal leaders, to also staying plugged into the external market to ensure the company has access to best-in-class capability.

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Socio-cultural representation

One question we're seeing our clients grapple with in real time is, "How do we make sure our executive team's composition is representative of the clients we serve?" The leadership teams for many tech services companies reflect either the geographic genesis of the company or the country where most of their employees live. There is a growing realization that clients are increasingly dissatisfied with this, and that reflecting geographic and cultural diversity in the C-suite has become imperative. As with other periods of industry evolution, CHROs will play a pivotal role: building a truly broad-based and diverse leadership team within their businesses and serving as the conscience of their companies as they continue this evolution.



Tech services CHROs are key figures amid a profound transformation — strategic partners in driving company culture, enabling business agility, shaping leadership pipelines and ensuring their companies stay competitive. The best CHROs are agile, forward-thinking business leaders who understand what talent is needed to navigate the future of tech services.





ARCL-CHROTECHSERVICES/JUNE2025

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Authors

Kelly D. Anderson (San Francisco)

Atul Bhandari (New Delhi)

Amitabh Sharma (Dallas)

